

Religion and property: How openness of a religious group determines its property rights doctrine

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Abstract. There is a striking commonality among major religions and denominations in their support of private property. This paper offers an explanation for this phenomenon. It focuses on the choice of property doctrine and the decision about openness of a religious group. The theoretical framework predicts that private property doctrine increases odds of surviving and becoming a major religion, while common ownership necessarily leads to either small scale or extinction. Examples of the Catholic Church and Buddhism are cited to support the theoretical propositions.

Keywords: religion, property rights, rational choice

1. Introduction

There is a striking commonality among major religions and denominations in their support for private property. Even if they sometimes prescribe common ownership, it is always limited to some well specified conditions. This paper argues that it is not a coincidence and offers an explanation for this phenomenon.

One may argue that private property is superior in promoting efficiency. Thus, it is not surprising that different religions around the world come to support this particular property regime. We shall, however, distinguish between the rules for the general society and the rules that a religious group sets for itself. Except for rare cases, it is hardly the same. Our focus shall be here on the rules designed to govern members of a religious group.

The discussion on the origins of property rights lasts for several decades. Various theories have been produced that take into account different aspects of historical reality. We may regard them as more or less naive [1], and discuss their complexity, realism, usefulness, etc. In the end, however, to understand the subject both general theories and research of particular historical conditions are equally needed.

The theory proposed here suggests that the choice of doctrine regarding property rights is not independent of other choices, particularly of organizational structure and openness. These choices are simultaneous and a wrong combination – if not corrected over time – inevitably leads to extinction of a religious group. Moreover, the choice of private property doctrine increases the odds that a religious group will survive and, eventually, grow to a major religion.

The decision on property doctrine is universal, although, in different periods it may be perceived as a more or less important issue. Every religious group faces this choice regardless of whether it is dominant in the society or not, or whether it is supported by the state, indifferent to politics or in opposition to the government. Of course, these and other factors do have an impact on the decision. However, basic principles outlined in this paper should apply universally.

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This paper proceeds as follows. Part 2 provides a theoretical framework that explains the choice faced by a religious group with regard to the property right doctrine. Part 3 offers some historical examples that support the theoretical framework. The final part concludes.

2. Doctrine of property and group openness

The theoretical framework proposed here builds on the economics of religion. The economics of religion is a relatively new field, although it is usually tracked back to the Adam Smith's *Wealth of Nations*. [2] Modern economic research of religion begins only with Azzi and Ehrenberg who applied Becker's household model to religious behavior. [3] For a detailed survey of the field see [4], or - up to the previous decade - [5].

It is important to note that the mainstream economics of religion is based on rational choice theory. This approach has been under criticism for some time. [6] However, it must be acknowledged that the rational choice theory has provided useful theories with reasonable ability to predict reality. Therefore, the framework proposed here also assumes rational choice.

A religious group faces two choices. First, it has to decide about property rights regime that will govern the group. Let us simplify the choice set to common property and private property regime. Of course, multitude of mixed regimes is available in reality. Second, the religious group has to decide on its openness. The "openness" means here the willingness or effort of the group to attract and accept new members. It can be interpreted as the inverse of the cost of participation in the group for a (prospective) member, following the model of Iannaccone. [7]

Both property regimes available to the group have their advantages and disadvantages. Benefits of private property have been extensively described in the economic literature (see [8] for classical exposition). From the viewpoint of religious leaders it reduces costs of management. While members of the group take care each of his or her property, leadership can concentrate on other issues, worldly or otherworldly. On the other hand, if policing of property is not guaranteed by the state, it may burden the religious organization (think, for instance, of medieval church).

Common property may be an efficient way of organization under specific conditions. Although the "tragedy of commons" has been the dominant view of economists since Hardin's famous article [9], a more recent research shows that the tragedy can be overcome. [10] Common property in religious groups allows them to pool resources in order to better manage risks faced by individual members of the group and especially to achieve certain distributional goals that may arise from their religious doctrines.

The decision on the openness has its effect on the ability to attract new members and to grow. Open access to a group, i.e. low membership fees, improves its ability to proselytize at lower costs. On the other hand, if no exclusion is possible, the group has to deal with problem of free riders. Thus, it may have to limit the amount of club (public) goods it can provide.

On the contrary, a group with limited access is able to monitor its members and exclude those who are not contributing to production of club goods. We can, therefore, expect higher amount and/or quality of club goods provided by the group. However, if the religious good has a property of a network good, limited membership may hurt its quality. Another disadvantage may arise from the small size of group - that is lack of political power. If a dominant competitor in a religious market turns to the state to enforce its monopoly, the small group may find itself defenseless.

Combining the two choices we can define four types of religious groups. These types are summarized in Table 1. Following labels are proposed for the particular types: (1) "club sect" for a group that limits access to the membership but respects the property of its members; (2) "community sect" for a group that limits access to the group and prescribes common ownership within the group; and (3) "open church" for a group that aims to expand its membership as much as possible (universally) and promotes private property.

The fourth type is worth special attention. The framework predicts that such group cannot survive. Thus, we do not propose any label here but a "necessary failure". This does not mean that a group of this kind cannot ever exist. It is simply to say that over time it is very likely to fail.

	Limited access	Open access
Private property	Club sect	Open church
Common property	Community sect	Necessary failure (?)

Table 1: Possible types of religious groups

Consequences of the choices in question are quite clear. Combination of open access and common property regime leads to extinction as we have just described. On the contrary, an open church has the means to survive and prosper. The choice of private property regime decreases the burden of internal management costs, while low entry costs allows the group to proselytize.

Sects of both types – club and community – are quite different. Both groups have good chance of survival. The advantage of private property is obvious. However, given the limited access to a group, even common ownership is not a problem. On the other hand, sects of both types have a serious competitive disadvantage in comparison to an open church. As the costs of membership are high, they may face serious problem trying to increase their membership, especially when they have depleted their niche. [11]

3. Test of the theory

The theory proposed above provides fairly obvious hypotheses. To support the theory, this part provides some historical examples that illustrate the process of doctrinal choice and its effects. Stylized stories presented here are necessarily very simplified in comparison to the reality. Historians may raise objections against oversimplification. However, stylization is indispensable if we aim to expose general patterns, such as the one described in the theoretical framework.

In the following part, two examples are used to illustrate the theory. First, a brief historical overview of the Catholic Church shows its doctrinal and organizational evolution, especially its ability to succeed through accommodation of diverse preferences. Further, a hint of another story, namely the story of Buddhism, is given to show that this problem is not limited to the Christianity. Of course, both of these stories deserve more profound elaboration. The purpose here is to outline the path forward, rather than to provide an exhaustive test of the theory.

3.1. Catholic Church: success through diversity

In this very brief look at the history of the Catholic Church, we shall focus on two periods. First, we examine the organization of the early church. Second, we will look at its choices in the Middle Ages. In the first period, the decision on the doctrines was a part of the establishing process. The second period is interesting because the established doctrine has been challenged by dissent from within the Church.

There is very little we know about the early Christianity from primary sources. The documents available, both canonical and apocryphal, were not written as historical documents; rather, they were written from the point of view of the faith. Even if these documents contain some indication of social organization, one has to be careful with its interpretation.

Let us examine some clues offered by the Acts and the Epistles of Paul. “All the believers were together and had everything in common. Selling their possessions and goods, they gave to anyone as he had need.” (Acts 2:44-45, New International Version) Similar expression can be found also in a latter text: “no one claimed that any of his possessions was his own, but they shared everything they had.” (Acts 4:32, NIV) These quotes suggest communism in the early churches.

On the other hand, the First Epistle of Paul to Corinthians gives quite a different view. “Now about the collection for God’s people: Do what I told the Galatian churches to do. On the first day of every week, each one of you should set aside a sum of money in keeping with his income, saving it up, so that when I come no collections will have to be made. Then, when I arrive, I will give letters of introduction to the men you approve and send them with your gift to Jerusalem.” (1 Cor. 16:1-3, NIV) This passage implies that Christians in Corinth (and Galatia) held their possessions as a private property, of which they could save something to be sent to the church in Jerusalem.

Finally, another quote from Paul's Epistles suggests that the free rider problem occurred in the early Christian communities. In the Second Epistle to Thessalonians he wrote: "we gave you this rule: 'If a man will not work, he shall not eat.' We hear that some among you are idle. They are not busy; they are busybodies." (2 Thes. 3:10-11, NIV)

If anything, we can conclude that the early Christianity was plural in its property regimes. We may infer that not all of the churches were self-sufficient and that voluntary redistribution was used to help the poor individuals and communities. As the Christianity was growing and gaining influence, there appeared a division between the theology and practice with regard to property. While patristic and medieval theologians (influenced by Greco-Roman philosophy) considered communism to be the superior state of nature, the one that was originally intended by God, the private property became dominant in practice. [12]

Middle Ages are still characterized by pluralism. On one hand, most people lived in complex feudal property structures that were slowly evolving towards private ownership. [13] Within this structure different people had very different property rights. On the other hand, the ideal was still seen in common property. This ideal was not only abstract, but it was visibly manifested by monastic orders present everywhere through Europe. It is not surprising that such plurality caused certain tension in society.

Various heretical movements arose in the High Middle Ages as challengers to the dominant Catholic Church. Among other issues, the institution of private property was questioned. Reaction of the Catholic Church was twofold. First, the Church attempted to enforce its monopoly by physical force, often in cooperation with secular governments. Second, the Church has adjusted its doctrines to secure peace and growth in future.

These doctrinal improvements include both theology and organization. Theologians of High Middle Ages rediscovered Aristotle and the idea of private property came to dominate the discourse. Thomas Aquinas, probably the most important figure of medieval philosophy and theology, argued for the necessity of private property. In the later period, his example was followed by the Hispanic theologians of the School of Salamanca. [14]

Another innovation include establishment (or recognition) of supplicant and mendicant orders. [15] Unlike the old monastic orders, the new mendicant orders were much closer to the population; they lived in poverty and primarily served the poor. They represented an option for those who preferred common ownership to live under such property regime – of course, if they accepted certain (costly) conditions of entry.

The dualism of private property regime for many and common property regime for few has persisted in the Catholic Church until today. It allows to satisfy diverse preferences of people. At the same time, it limits the potentially dangerous common ownership to groups with severely regulated access. Also, beyond the scope of this paper, we can imagine the positive influence of this doctrine for the economic growth of Europe.

3.2. Buddhism: change from elitist sect to a major religion

It may appear that the story of the Catholic Church – and the Western civilization as such – is unique. Although it may be so in many aspects, the choice of property doctrine and openness is probably universal. This section briefly surveys the development of Buddhism from a small sect competing with Hinduism to a major religion.

The origins of Buddhism are lost in the mist of time. However, the early Buddhism was clearly organized around sanghas – communities of monks. As Buddha himself prescribed that every monk is to carry only a very few personal belongings, all other property donated to monks was donated to the community, not to any individual. However, a century after Buddha's death the membership was still very small. [11]

Gradually the Buddhism became more open to the world. Lay membership was allowed and, eventually, some members were allowed to marry and have children. For practical purposes, private property was accepted, although modesty and assistance to the poor is encouraged. Similarly to the Christianity, this lessening of membership costs allowed Buddhism to grow and to become a major religion. At the same time, the option for those who prefer common ownership is left open in the form of monastic life.

4. Conclusion

To sum up, the choice of property rights doctrine to govern members of a religious group is not independent of other decision. Most importantly, it has to correspond to the decision about the restriction of group membership. High costs of participation in a religious group prevent it from becoming a major religion. On the other hand, having an open access combined with common ownership would likely result in extinction.

In practice, various religions respond to this challenge in different ways. Major religions accept private property for the multitude of their members, while allowing those with a preference for common ownership to join a distinct group. The examples of the Catholic Church and the Buddhism illustrate the theoretical propositions.

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